

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT APPLICA-)	
TION OF UNITED WATER IDAHO INC. AND)	CASE NO. UWI-W-98-2
SOUTH COUNTY WATER COMPANY, INC.)	
FOR AN ORDER APPROVING THE SALE AND)	
TRANSFER OF THE COMMON STOCK OF)	NOTICE OF APPLICATION
SOUTH COUNTY WATER COMPANY, INC. TO)	NOTICE OF INTERVENTION
UNITED WATER IDAHO INC.)	DEADLINE
)	

YOU ARE HEREBY NOTIFIED that a joint Application in Case No. UWI-W-98-2 was filed with the Idaho Public Utilities Commission (Commission) on June 12, 1998 by United Water Idaho Inc. (United Water; UWI) and South County Water Company (South County) for an order approving the sale and transfer of the South County water system to United Water. The purchase price is \$2.8 million. United Water further requests approval of certain rate and ratemaking matters, including a schedule for phased in rates and the right of United Water to include in rate base in future rate proceedings the full purchase price which includes the depreciated original cost of South County's assets plus an acquisition adjustment.

United Water provides water service to approximately 58,000 customers in and around the city of Boise. South County provides service to approximately 3,800 customers in Ada County. As represented in the Application, the current owners of South County desire to sell the water system because they are becoming increasingly reluctant to undertake the risks of continued operations arising from increasingly stringent water quality regulations, increasingly complex utility regulations, and increasingly complex operational and technical requirements. Because of its small size, it is stated that South County has experienced, and in the absence of this sale, would continue to experience difficulties in maintaining its current quality of service and obtaining adequate financing for operations, maintenance and system improvements. Currently the shareholders of South County must personally guarantee all of the indebtedness of South County, thus creating a hardship for the shareholders and limiting their financial flexibility.

Accompanying the Application in this matter are the filed testimonies of William C. Linam and Keith Stokes.

YOU ARE FURTHER NOTIFIED that any person desiring to intervene in Case No. UWI-W-98-2 for the purpose of becoming a party, i.e., to present evidence, to acquire the rights of cross-examination, to participate in settlement or negotiation conferences, and to make and argue motions must file a Petition to Intervene with the Commission pursuant to Rules 72 and 73 of the Commission's Rules of Procedure, IDAPA 31.01.01.072-.073. The **deadline for filing a Petition to Intervene** in Case No. UWI-W-98-2 is **Friday, July 17, 1998**.

YOU ARE FURTHER NOTIFIED that persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or to other parties.

YOU ARE FURTHER NOTIFIED that the Application in Case No. UWI-W-98-2 can be reviewed at the Commission's Office and at the Boise offices of the respective utilities during regular business hours.

YOU ARE FURTHER NOTIFIED that discovery is available in Case No. UWI-W-98-2 pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.221-234.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the *Idaho Code* and that the Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

YOU ARE FURTHER NOTIFIED that all filings and written communications with respect to this Application should be served upon the following representatives of United Water and South County:

William Linam
United Water Idaho Inc.
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Barton L. Kline, Esq.
James D. Hovren, Esq.
PO Box 959
Boise, ID 83701-0959
Attorneys for South County

DATED at Boise, Idaho this 26th day of June 1998.

A handwritten signature in cursive script, reading "Myrna J. Walters", written over a horizontal line.

Myrna J. Walters
Commission Secretary

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